



## NUMBERS GAME | It's taken nearly four weeks but finally the parties deliver the cost of promises

# The number's up on billion-dollar spend



SOUTH Australians will receive billions of dollars of new spending whoever wins tomorrow, but they still will be paying for the privilege long after the winner faces voters again.

With less than 48 hours to the polls, the two major rivals released their election costings yesterday, sparking accusations on honesty and transparency.

One factor was clear. Both want an immediate political dividend at the ballot box even though much of the actual expenditure is back-loaded into the out-years of the Budget cycle.

Labor's new spending officially has topped \$1.2 billion with much of that funded by hundreds of millions of dollars in extra GST payments, \$750 million in unspecified savings, and nearly \$420 million in additional borrowings.

The Opposition will spend \$1.4 billion over four years but, it claims, without borrowing any extra money or factoring in extra GST revenue that has not yet been secured.

Opposition treasury spokesman Steven Griffiths said his aim was to show that a future Redmond government was fiscally responsible and determined to fund any new spending through increased efficiency, and revenue from land sales.

While the Opposition's plan had the added credibility of being signed off by independent accountants, it risked fuelling voter suspicions as it proposes higher spending, no extra borrowings and larger surpluses, worth a promised "\$1 billion over the next three years".

The Government argued the plan was offering up "magic-pudding economics". The Opposition's defence was not aided by what appeared to be an error in its costings in that it failed to make provision for the Southern Expressway/Darlington flyover.

Labor has allocated \$140 million in years 2011-12 and 2012-13 to that project and says the balance to \$445 million will be fully met by the state.

Mr Griffiths cast that aside, saying he understood the Gov-

ernment had made provision in existing Budget numbers.

He said Labor was reckless because by budgeting for \$320 million from GST pool increases, recommended but not yet approved by the federal Parliament, Mr Foley risked "an enormous black hole for the people of South Australia". "The (Liberal) costings deliver a better Budget outcome than that promised by Labor and, importantly, are based on far more conservative economic assumptions," he said.

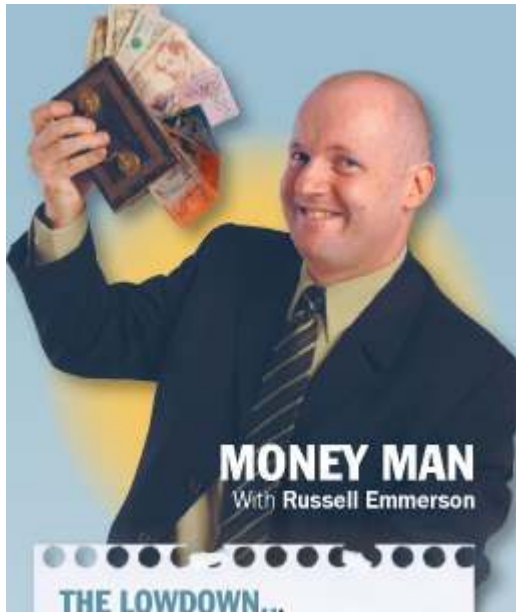
Treasurer Kevin Foley defended Labor's proposed spending, saying it would not break the state's Budget as all pledges were "affordable and deliverable".

Labor's spending for this financial year and the following three is costed at \$1.213 billion. When the full completion costs of all projects are taken into account, that reaches \$2.2 billion. The full cost of Liberal promises, to completion, came in at twice its four-year figure at \$2.8 billion.



**MUSIC TO THEIR EARS:** Premier Mike Rann and Education Minister Jane Lomax-Smith watch Amaya Flores-Williams play the violin during a brief visit to Marryatville High School yesterday.

Picture: MICHAEL MARSCHALL



#### THE LOWDOWN...

The big spend is on. Labor's "costed" policies, simply a list of promises with a figure next to them, total \$1.2 billion for the next three years, while the Liberal list totals \$1.4 billion. This excludes promised savings and big-ticket items from previous years such as Labor's \$1.7 billion hospital.

#### WORDS OF ADVICE...

Federal government decisions impact most personal finance decisions, and most state-based personal finance matters have been matched by both sides. Issues such as land tax may still irk some but all bets are off until the Federal Government acts on its review of the tax system.

#### WHO IT HURTS...

New children centres, hospital works, roadworks. Regardless of the political party, motorists will face 40km/h speed limits for some time.

We all suffer, but only a bit. Additional GST revenue is used to underpin \$795 million of spending, meaning the Federal Government, to which we all pay tax, must balance its books and promises.

#### AND HELPS

Businesses will benefit from Labor's plan to spend \$94 million to create 45,000 more training places over the next three years (and 100,000 over the next six years), and a further \$76.7 million in payroll tax relief. The Liberal Party will spend \$80.2 million on similar payroll tax changes.

Seniors will win either way. Labor has promised rebates up to \$380

for emergency alerts while the Liberals will subsidise utility costs for seniors up to \$8.7 million for the next four years. Both have promised \$71 million in higher aged concessions.

Roadusers won't get cash in their

pockets but can look forward to better roads: Labor will spend \$241.2 million building the Darlington flyover to 2012-13 (\$445 million in total) and \$3.6 million more on the proposed McLaren Vale overpass.



## THE BIG TICKET ITEMS

### LABOR - \$2.1 billion

Royal Adelaide Hospital (public private partnership)	<b>\$1.7bn</b>
Adelaide Oval	<b>\$450m</b>
Southern Expressway/ Darlington flyover	<b>\$241m</b>
Pensioner concessions	<b>\$50m</b>
100,000 training places	<b>\$93m</b>
300 police and equipment	<b>\$74.9m</b>
Convention centre expansion	<b>\$109m</b>
Payroll tax cut	<b>\$77m</b>
Emergency department improvement	<b>\$146m</b>
Modbury Hospital upgrade	<b>\$44m</b>



### LIBERAL - Total \$2.8 billion

Riverside west football stadium	<b>\$800m</b>
Stormwater recycling infrastructure	<b>\$200m</b>
Road maintenance	<b>\$52m</b>
Britannia roundabout	<b>\$12m</b>
300 more police	<b>\$106m</b>
Royal Adelaide Hospital (public private partnership)	<b>\$700m</b>
Increased elective surgery	<b>\$38m</b>
Payroll tax cuts	<b>\$80m</b>
Increased public school funding	<b>\$35m</b>
Independent Commission Against Corruption	<b>\$64m</b>



“ I want to see where the football stadium appears in their costings, I want to see exactly where stormwater costings appear and I'd certainly like to see whether or not they have any future tax cuts, particularly in the area of land tax. – KEVIN FOLEY



“ In an unprecedented move, Kevin Foley has provided the public with only a two-page spreadsheet signed off by his personal staff, a move that undermines Labor's credibility.

– STEVEN GRIFFITHS